

CAL-Card

Frequently Asked Questions

1. Is there a minimum card count or spend required to start a program?

There is no minimum card count or dollar spend requirements within the CAL-Card Program.

2. What are the terms for payment?

Payment terms are 45 days from the date of each monthly statement of account/invoice.

3. What is the interest rate?

This program is set up for accounts to be paid in full each invoice/billing period. For unpaid, undisputed balances 46 days or older, there is a late payment interest rate established annually by the State of California, Department of Finance, according to the State's Prompt Payment Act. The current annual rate is 3.256%. If the accrued monthly penalty amount is seventy-five dollars (\$75) or less per invoice (RO60), the penalty shall be waived and not paid by the agency, (SAM 8474.3). State agencies are required to report late payment to Department of General Services.

4. How does a State Agency record the CAL-Card rebate and can you explain the CAL-Card rebate program?

For State agencies, because the rebate cannot be identified to a specific invoice or vendor, the rebate will be classified as Miscellaneous Revenue for those departments whose primary funding source is a governmental cost fund. Departments whose primary funding source is a nongovernmental cost fund will use Operating Revenue Other. Local government agencies should determine how to record the rebate.

The CAL-Card offers a Payment Performance Rebate, which is calculated on a monthly basis and refunded to each agency that has met the full invoice payment requirement within 61 days of the calendar end of each quarter. Full invoice payment is defined as total invoice payment received by U.S. Bank, minus any disputed transactional dollars, fraudulent charges, charge backs and amounts charged-off by U.S. Bank.

To calculate the Payment Performance Rebate, count the number of days from cycle date to the date the payment is issued. For example, an invoice for \$10,000 is received with a cycle date December 22nd and the payment is issued on January 10th. Payment was issued by the 19th day. Looking at the schedule on the next page, 19 days would qualify for 35 (0.35%) Basis Points. The amount of the Payment Performance Rebate would be calculated at follows:

$$0.35\% \times \$10,000 = \$35.00$$

Payment Performance Rebate Schedule

Receipt of Payment from Invoice Date	Basis Points
1 to 7 days	62 (0.62%)
8 to 12 days	48 (0.48%)
13 to 16 days	41 (0.41%)
17 to 20 days	35 (0.35%)
21 to 24 days	28 (0.28%)
25 to 28 days	22 (0.22%)
29 to 32 days	15 (0.15%)
33 to 36 days	9 (0.09%)
37 to 40 days	2 (0.02%)

5. What are the established Cardholder transaction increments per card?

The cardholder transaction limits can be set in \$50 increments per transaction and in \$100 increments for the monthly total.

6. What does "I.M.P.A.C." represent?

U.S. Bank I.M.P.A.C. Government Services, the current Contractor, uses the Service Mark, I.M.P.A.C. These initials stand for International Merchant Purchase Authorization Card. I.M.P.A.C. is the division within U.S. Bank that manages the government purchase card program.

7. Who is responsible for errors, omissions and intentional misconduct by an agency or an employee?

The State, each participating university, participating division, or local government agency is responsible for their own errors and omissions. When a card has unauthorized charges, a dispute process procedure must be followed to free the agency from financial responsibility. When an employee makes unauthorized charges, U.S. Bank I.M.P.A.C. Government Services provides VISA Waiver Liability coverage within specific program criteria, provided that the employee is terminated.

8. Describe liabilities for the Issuer, Participating Agency and Cardholder for the following:

- Fraudulent use of the card by cardholder***
- In the event a card is stolen, forged or lost***
- If a merchant accepts a procurement card order without obtaining prior authorization or forces a transaction for the purchase***

- The Agency is liable for fraudulent use of the card by a Cardholder. Each CAL-Card has VISA Liability Waiver coverage up to \$5,000 per card when an agency has 1 to 4 valid cards and up to \$100,000 per card when an agency has 5 or more valid cards. VISA Waiver Liability is available upon written request provided the agency cancels the card account and terminates the employee per the terms of the contract.

- In the case of a lost or stolen card, the agency's liability ends as soon the Cardholder contacts U.S. Bank Customer Service. In addition, the Cardholder should immediately notify their Agency Program Coordinator.

- Fraudulent transactions posted to the account are referred to the U.S. Bank's fraud investigation unit. The Cardholder has 60 days from cycle date to report fraudulent charges.

- A merchant who does not receive authorization or forces a transaction on a charge is liable for that charge.

9. What does a Cardholder do if their CAL-Card is lost or stolen?

The Cardholder should immediately contact U.S. Bank Customer Service and their Agency Program Coordinator to report the lost card. U.S. Bank has a 24-hour a day, 7 days a week, Customer Service number for reporting lost or stolen cards. The number is 1-800-227-6736. A new account will be established and a new card issued. All charges are moved to the new account and unauthorized charges will be cleared by subsequent credits issued by U. S. Bank Fraud Investigative Services.

10. Is there an annual card fee?

No. When the CAL-Card Program was initially established there were provisions for an annual card fee. Under the current contract there are no annual card fees.

11. Where can the CAL-Card be used as a payment mechanism?

The CAL-Card can be used anywhere VISA is accepted. Whether placing orders in person, online, by fax or telephone, Cardholders should always request an itemized receipt. Because some Internet merchants do not provide an itemized receipt, Cardholders should do a screen print of the order, which should include product description, unit price, freight cost, tax and total amount to be charged. Remember to use only secured sites when placing orders on the Internet.

12. Which merchants accept the CAL-Card?

The CAL-Card is a VISA purchase card. Any merchant that can accept a VISA credit card can accept a CAL-Card.

13. What if the merchant does not currently accept a VISA credit card, but desires to become a VISA merchant?

The merchant may contact U.S. Bank for merchant/supplier set up by calling 1-800-334-1941. All merchant questions regarding U.S. Bank's card processing will be answered. Also, the merchant should be encouraged to evaluate various bankcard processing programs to determine which financial institution best meets their needs.

14. Who should be involved in the development of an agency's CAL-Card Program procedures?

The development of the procedures should include cross-organizational staff. Include all stakeholders in the development of your agency's procedures including the Agency Program Coordinator, Approving Official(s), Cardholder(s), representatives from Fiscal, Accounting, Purchasing, Receiving and all Budget Managers.

15. What happens if a Cardholder's statement shows an incorrect charge?

The Cardholder is responsible for working with the merchant to attempt to resolve the incorrect charge. If the issue cannot be resolved by working with the merchant, the Cardholder is required to formally dispute the charge. The Cardholder is responsible for completing and submitting the Cardholder Statement of Questioned Items (CSQI) form to U.S. Bank I.M.P.A.C. Government Services within 60 days from the Statement of Account date for any charges that are to be disputed. A copy of the dispute form (CSQI) is added to the Cardholder Statement packet and a copy is immediately faxed or mailed to U.S. Bank I.M.P.A.C. Government Services. The disputed amount is deducted from the Statement of Account total with the balance approved for payment.

16. Can the CAL-Card be used for emergency purchases?

Yes, provided that your agency's procurement rules for emergency purchases are followed. In emergency situations, some agencies elect to temporarily raise card limits to accommodate emergency purchases. For State agencies, as in any instance of emergency, your agency's management approval is likely required. This should be further supported by a justification to maintain the public health, welfare or safety and/or the supplies or services needed in an emergency situation.

17. Can the CAL-Card be used for travel expenses?

State Agencies: No. The CAL-Card cannot be used for travel per diem expenses, these include: air or ground transportation, lodging and meals. The State has contracts in place for air travel, car rentals and utilizes an American Express employee credit card for all other travel expense needs.

Local Agencies: Local Agencies can use the CAL-Card for travel expenses, if it falls within the agencies CAL-Card program guidelines. Check with your Agency Program Coordinator or fiscal management for direction.

18. What authority is required for State agencies to purchase with the CAL-Card?

State agencies are required to have a purchasing authority, which is granted by the Department of General Services, Procurement Division, prior to participating in the CAL-Card Program. Batched CAL-Card invoices submitted to the State Controller's Office for payment must reference the appropriate purchasing authority number(s) or the contract number(s) with subtotals for each amount listed on the batch.

19. *What "tools" are available to agencies wishing to set up a CAL-Card Program?*

The National Account Managers for U.S. Bank I.M.P.A.C. Government Services provide the contract addendum in either hard copy, electronic copy or on disk. They can walk you through this process, fill in the blanks with your agency information and send you a copy for your editing, review and approval. In addition, they will help you set up your Cardholders, Approving Officials, Billing Office Contact, Dispute Office Contact and Agency Program Coordinator/Alternate Agency Program Coordinator documentation. See page B-2 of this booklet for U.S. Bank Account Manager contact information.

On the CAL-Card Website, www.pd.dgs.ca.gov/calcard, are required, standardized procedure guidebooks for the Cardholder, Approving Officials, Billing Office, and Agency Program Coordinators. In addition, there are fill and print forms, workshop schedules, PowerPoint Presentations for the Program/Accounting Workshop as well as the agenda for User Group Meetings. The U.S. Bank training video is also available on line. The video provides an overview of the CAL-Card program as well as the responsibilities of the Agency Program Coordinator, Cardholder, Approving Official and the Billing Office.

20. *Is there an on going support group and continuous improvement effort for CAL-Card Programs?*

Yes. CAL-Card has a very active User Group. The group meets on a quarterly basis in Northern and Southern California to address current CAL-Card issues and enhancements, presents case studies and presents guest speakers on procurement card related subjects. These meetings are attended by State and local representatives and hosted by State of California CAL-Card Team and U.S. Bank representatives. The meeting dates and agendas are posted on the State CAL-Card Website, www.pd.dgs.ca.gov/calcard. If you are not an Agency Program Coordinator or Billing Officer, but would like to be added to the User Group mailing list, call Judith Burnett of the CAL-Card Team at (916) 375-4578.

21. *Can the CAL-Card be used for both commodities and services?*

Yes. The CAL-Card can be used to procure commodities and services, provided that the purchase is within the authorized CAL-Card dollar limit. The CAL-Card may also be used for purchases from California Multiple Award Schedules (CMAS) and Master Agreements. The purchase must be in accordance with the authorized dollar limits, State laws, rules and Purchasing Authority guidelines, all applicable policies and procedures, specific contract term or specific agency requirements.

The tracking and reporting of services for 1099 reporting is the responsibility of the participating agency. Taxpayer identification information is available on a quarterly basis via U.S. Bank I.M.P.A.C. Government Services, R900 Merchant Activity report to assist in 1099 reporting. However, it is still the participating agency's responsibility to collect the State agency Std. 204, Payee Data Record form and for local agencies the Internal Revenue Service W-9 form.

22. Are State agencies required to collect Payee Data Records, Std. 204 form for CAL-Card transactions?

Yes. State agencies are required to have a completed Payee Data Record, Std. 204, on file for each supplier. This data is used to prepare 1099 reporting information for the Franchise Tax Board. Agencies are also required to report to the Employment Development Department any spends to a service contractor equaling \$600 or more. For more information regarding this requirement contact EDD at (916) 657-0529.

23. What should I do if a merchant does not charge sales tax?

If a merchant is registered to do business in the State of California, but did not charge sales tax, you may request a new invoice with sales tax included or your agency may declare the tax on the reporting document to the State Board of Equalization.

If the merchant is located in another state and not registered to do business in the State of California the merchant should not collect sales tax; however, they may collect use tax as a courtesy to your agency. If the merchant charged a use tax, your agency does not need to report the amount to the Board of Equalization. If your agency was not charged the use tax, you do need to report the use tax amount to the Board of Equalization. The use tax rate should be the same as the sales tax rate at the location where the goods are used or consumed.

24. What should I do if the sales tax rate charged is different than the rate at my location?

If a merchant is registered in the State of California but ships from an out of state location they should charge the sales tax rate at the location where the goods are used or consumed. You may request a new invoice or your agency can report the correct rate to the Board of Equalization. If the merchant charges 7.25% and your rate is 8.25% your agency is responsible for reporting and paying at the 8.25% rate.

Questions? - - Board of Equalization at 1-800-400-7115 Mon. - Fri. 8:00 AM - 5:00 PM

25. Can more than one person charge on a single card?

No. Cards are issued in the individual Cardholder's name with a signature required on the reverse side of the card. If an attempt to purchase is made by a person other than the Cardholder, the transaction can be declined and the card can be confiscated.

26. Can a Cardholder be restricted in the types of merchants?

Yes. The CAL-Card Program contract has an established Merchant Activity Type code tables. Each card can have access to specific categories according to purchasing needs. The Agency Program Coordinator can contact U.S. Bank I.M.P.A.C. Government Services to alter Merchant Activity Type codes, real time, as needs change.

27. How can a Cardholder be prevented from over spending?

Each card can be set up with a maximum single transaction, daily, monthly, quarterly and annual maximum spending limits, not to exceed the assigned State purchasing authority or \$25,000. Higher limits are available upon approval of the Department of General Services (for State agencies) and U.S. Bank. In addition, limits can be placed on the number of transactions per day and per month for each Cardholder. If established limits are exceeded, the transaction will automatically be declined.

28. What if there is a need to increase a single transaction or monthly total expenditure amount?

Your Agency Program Coordinator can contact U.S. Bank I.M.P.A.C. Government Services, Customer Service, 24 hours per day 7 days a week to change Cardholder limits and controls. These changes can also be made electronically real time by the Agency Program Coordinator via the Customer Automation Reporting Environment (C.A.R.E.). For more information on C.A.R.E. see Section G of this booklet.

29. Can the Cardholder or an Approving Official change Merchant Activity Type codes, transaction limits or monthly expenditure limit amounts?

No. Only the Agency Program Coordinator or Sub Agency Program Coordinator can establish a new Cardholder, delete Cardholders or make any changes to established card limits and Merchant Activity Type codes.

30. Can the CAL-Card be used for cash advances?

No. The CAL-Card cannot be used for cash advances. Cash advances and other high risk or cash-related merchant category codes are excluded from the CAL-Card Program. These include:

- Air Phone
- Wire Transfers/Money Orders
- Direct Marketing Insurance Services
- Financial Institutions: Manual Cash Advance
- Financial Institutions: Automatic Cash Advance
- Non-Financial Institutions: Foreign Currency, Money Orders, Travelers Checks
- Security Brokers/Dealers
- Savings Bonds
- Timeshares
- Betting, Casino Gaming Chips, Off Track Betting
- Political Organizations
- Religious Organizations
- Court Costs, Alimony, Child Support
- Fines
- Bail and Bond Payments
- Tax Payments
- Government Loan Payments

If an attempt is made to purchase one of these high risk cash-related items, the transaction will automatically decline. The Agency Program Coordinator can request quarterly management information reporting providing data on each card with declined transaction activity.

31. How can an Approving Official ensure budget amounts are not exceeded?

The Approving Officials should be included in the account setup process for your CAL-Card Program and should be involved in establishing a Cardholder's expenditure limits to ensure budgetary control. Approving Officials are automatically provided a Monthly Summary Report (R090) and are required to review and approve each Cardholder Statement of Account.

32. What does a Cardholder do if they have a problem using the CAL-Card? For example, they attempt to use the card at their local merchant and the charge is declined.

When a transaction is declined the Cardholder or the Agency Program Coordinator may contact U.S. Bank Customer Services to determine the reason why the transaction was declined. If the decline was due to dollar limits or MAT codes the Agency Program Coordinator may contact U.S. Bank and have those limits changed immediately, "real time" so that the transaction may be completed. The Agency Program Coordinator is the only person authorized to make changes to a Cardholder account. Common reasons for declined transactions include:

- Card not activated
- Card spend or transaction limits have been reached
- Merchant Activity Type code is blocked
- Approving Official limit has been reached

Cardholders, working through their Approving Official, should contact their Agency Program Coordinator, if they feel that their merchant activity type (MAT) codes or card limits should be adjusted.

33. If the master contract between the State of California and U.S. Bank I.M.P.A.C. Government Services is amended, must I amend my addendum to the contract also?

No. Each addendum to the master contract contains the following language, which incorporates all past and future amendments:

"Master Services Agreement DGS MSA 5-00-CC-02 and its amendments are incorporated by reference and made a part of this agreement."

34. Does the Master Service Agreement require participating agencies to complete a new "Addendum" each Fiscal Year?

No. Agencies need only complete one Addendum document referencing their starting date through to the end of the Master Service Agreement term, December 22, 2006. If an agency wishes to end the agreement, they simply provide written notice, 30 days in advance of their desired end date.

35. What are the real costs to an agency for participating in the CAL-Card Program?

The CAL-Card is a "no cost" program unless an unpaid invoice has accrued late penalties; late penalties are assessed on day 46 from the invoice date. The CAL-Card has two electronic solutions. One option, SuperTracs, which is a *prior generation* electronic solution, has a one-time connection fee of \$500 to \$700. SuperTracs provides a password protected electronic connection with U.S. Bank I.M.P.A.C. Government Services for transmitting billing documents and reporting information.

The second option and the newest electronic solution for program maintenance and reporting is the Customer Automation Reporting Environment (C.A.R.E.). C.A.R.E. is a Web based password protected program and is cost free. Additional information regarding C.A.R.E. may be found in Section G of this booklet.

36. Once an agency submits a Request to Participate how soon could the agency receive CAL-Cards?

U.S. Bank will contact your agency within two business days of receipt of your Request to Participate form. Once a signed addendum and three years of audited financials (local agencies only) are received, U.S. Bank stands ready to move at whatever pace the agency requires to establish their program. Credit review will take no more than 2 weeks. During the credit approval process, implementation meetings can be scheduled and the program set up forms can be completed and submitted to U.S. Bank. Once credit is approved, the account set up forms are input into the U.S. Bank computer system. Cards are issued within 5 business days and mailed to the agency designated locations.

37. Describe capabilities for designing and supplying a card identified as a local agency Procurement Card.

U.S. Bank will support all of the card plastic stock, graphics, logo, and embossing parameters. U.S. Bank will graphically produce the card plastic stock inventory as provided by the State. U.S. Bank agrees to make changes to the card plastic stock at no charge during the contract period, if so requested by the State. The local agency's name can be embossed on each CAL-Card. The agency also has the option of adding their agency seal or logo as a graphic on the card at no cost. For detailed information, review the CAL-Card Master Service Agreement or contact a U.S. Bank Account Coordinator at 1-800-254-9885 Option 3, Ext. 31305.

38. Is it possible to place a digitized picture ID on each procurement card?

No. This option is not available.

39. Is a report available that tracks purchases by city, state and zip code?

Yes, the 998-transaction file. This flat file can be converted to a spreadsheet and data can then be sorted to the agency's needs.

40. What is the term of the current contract?

The current contract term is:

December 22, 2000, through December 22, 2006
(Two years fixed, plus four, one year options for extension)

41. Is there an option for a multiple billing cycle?

Yes. Larger CAL-Card Programs can now go to a multiple billing cycle to better disburse workflow in the monthly reconciliation to payments process. U.S. Bank's platform provides multiple billing cycle dates between the third (3rd) and the twenty-seventh (27th) of the month.

42. Can a charge be disputed?

If an error in Cardholder billing occurs, or if a problem with merchandise or services billed cannot be resolved between the Cardholder and merchant, the Cardholder must notify U.S. Bank of the dispute by submitting a Cardholder Statement of Questioned Item (CSQI) form. In many cases, it is necessary for the Cardholder to submit supporting documentation, such as a copy of a postal receipt, credit voucher or transaction log. The CSQI must be sent to U.S. Bank within 60 days from the cycle date noted on the Cardholder Statement of Account on which the questioned charge first appeared. Timely attention to a disputed item is essential to ensure that VISA chargeback/dispute rights do not expire. A list of valid chargeback or dispute reasons is printed on the CSQI form **with the exception of the request for a duplicate receipt**. A lost receipt is not a valid reason to withhold payment.

The CSQI form may also be used to request a copy of a specific sales draft (receipt). This can be useful when a Cardholder has lost his/her copy of the sales draft. This request however, is not considered a dispute and the transaction should be authorized for payment.

CSQI forms should be directed by mail or fax to:

U.S. Bank I.M.P.A.C. Government Services
P.O. Box 6346
Fargo, North Dakota 58125-6346
Fax: (701) 461-3466

Cardholders receive an F108, Disputed Transaction Status Report, and the Agency Program Coordinator, Billing Office Contact and the Dispute Office Contact receive a monthly F107, Disputed Transaction Status Report to acknowledge disputes and update pending disputes.

When the dispute is resolved, the Cardholder must notify their designated Billing Office Contact, to either apply the credit or pay the amount disputed on the invoice where the payment was originally withheld. If a dispute resolution results in a credit, the Billing Office completes a Notice of Invoice Adjustment form, directing U.S. Bank to apply the credit to the originally disputed invoice. When a dispute is resolved as due and payable, the Cardholder is required to instruct the Billing Office to issue payment on the originally disputed cycle Statement of Account/Invoice. When issuing payment, the Billing Office should include the original invoice number and dollar amount to be applied on the payment remittance advice to U. S. Bank.

Cardholders may also initiate disputes using C.A.R.E., U.S. Bank's Web-based program management tool. Cardholders can review their statements throughout the month by logging onto C.A.R.E. If they notice a discrepancy, they can classify the transaction as a dispute. Disputes submitted through C.A.R.E. are automatically routed to U.S. Bank's dispute processing unit.

43. Can freight charges be disputed?

The Cardholder must approve freight charges before a transaction is completed. When freight is to be charged, a written quote is required along with all other itemized charges. If the merchant refuses to provide a firm quote for freight stop the order. Freight charges are not disputable, unless you have a written quote provided by the merchant.

44. What is C.A.R.E.?

C.A.R.E., Customer Automation Reporting Environment, is a U.S. Bank Web-based solution for CAL-Card program maintenance and reporting. Cardholders, Approving Officials, Merchant Activity Type codes and dollar limits can be added, deleted or changed on a secure Website. In addition, Cardholder statements may be downloaded the day after cycle date and the Approving Official Summary (R090) and the payment invoice (R060) can be sent, via an electronic file transfer, three (3) days after cycle date. It is a cost free program. Contact your U.S. Bank National Account Manager to participate in the C.A.R.E. program. Additional information regarding C.A.R.E. may be found in Section G of this booklet.

45. What are the interface requirements for Customer Automation Reporting Environment (C.A.R.E.)?

C.A.R.E. performance can be impacted by several factors that users can control. C.A.R.E. works best when the following hardware and software requirements are met:

Pentium 120 MHz Processor

Windows 95, 98, or NT 4.0 or higher

33.6K or higher modem or a LAN connection

32 MB RAM or higher

Internet Explorer 4.01 with 128-bit encryption or Netscape Communicator 4.5 or higher

For optimal performance within C.A.R.E., it is recommended that you load Microsoft Internet Explorer 4.01 or Netscape Communicator 4.5 or higher. Contact your information technology manager regarding how to access or upgrade these browsers.

As with all other large Windows based applications, C.A.R.E. works most efficiently if all other computer applications are closed. Check with your LAN administrator(s) about how to increase your Internet access speed.

**Sample
Cardholder and Approving Official
Acknowledgement and Responsibility Form**

The CAL-Card purchase card number _____ has been assigned to
_____. The Approving Official for this card is
_____.

By signing this form, the above named individuals acknowledge that they are responsible for the security of the card and for the appropriate use of this card for departmental purchases. Furthermore, that they have attended the training, as well as read and understand their agency's policy and procedures.

They understand that this card is valid only while the Cardholder is employed in this department and if they transfer to another department or terminate their employment they must relinquish this card to the assigned Approving Official or Agency Program Coordinator.

Cardholder Printed Name

Cardholder Signature

Approving Official Printed Name

Approving Official Signature

Department

Date